

March 31, 2017

**VIA ECF**

The Honorable Sarah Netburn  
United States District Court for the  
Southern District of New York  
Thurgood Marshall U.S. Courthouse  
40 Foley Square, Room 430  
New York, NY 10007

Re: *Coordinated RMBS Trustee Litigation against HSBC Bank USA, N.A.*, Nos. 14-cv-8175; 14-cv-9366; 14-cv-10101; 14-cv-02144; 15-cv-10032, 15-cv-10096

Dear Judge Netburn:

We write jointly on behalf of coordinated plaintiffs and defendant HSBC Bank USA, N.A., in response to the Court's March 23, 2017 Order directing the parties "to identify any anticipated expert discovery that will not be affected by the plaintiffs' appeal of the Sampling Opinion." The parties met and conferred and set forth their respective positions below.

Plaintiffs state that all of their expert reports will be affected by their objections to the Sampling Opinion, with the exception of class certification expert reports in connection with class certification briefing in the *BlackRock* and *Royal Park* Actions, which are proceeding on the schedule ordered by the Court (14-9366, Dkt. No. 273; 14-8175, Dkt. No. 244). Plaintiffs' sampling and re-underwriting expert reports are dependent on the permissibility of sampling and the loans that ultimately will be re-underwritten, which will be affected by the resolution of the Sampling Opinion. Plaintiffs' other expert reports, including trustee standard of care, servicing, and damages, likewise are inextricably intertwined with the re-underwriting results and resolution of plaintiffs' objections to the Sampling Opinion. For example, a core component of a damages report will constitute the sums that could have been obtained through the repurchase of defective loans as evidenced by the re-underwriting results. The re-underwriting results likewise will materially inform reports on a trustee's standard of care and mortgage loan servicing.

Based on Plaintiffs' representations concerning the subject matter of their anticipated expert reports, HSBC expects its expert reports will be comprised principally of rebuttal expert reports. As a result, HSBC's expert reports will be affected by plaintiffs' objections to the Sampling Opinion to the extent plaintiffs' expert reports will be affected by the resolution of the objections.

The parties will continue to expeditiously advance the case for trial while plaintiffs' objections are pending by, among other things, completing all remaining fact depositions, including Rule 30(b)(6) depositions, and working to resolve any remaining fact discovery issues.

Honorable Sarah Netburn  
March 31, 2017  
Page 2

Respectfully submitted,

/s/ Benjamin Galdston

Benjamin Galdston  
Bernstein Litowitz Berger  
& Grossmann LLP  
*Counsel for Plaintiffs  
BlackRock Balanced Capital  
Portfolio (FI), et al.*

/s/ Christopher M. Wood

Christopher M. Wood  
Robbins Geller Rudman  
& Dowd LLP  
*Counsel for Plaintiff Royal  
Park Investments SA/NV*

/s/ Niraj J. Parekh

Niraj J. Parekh  
Wollmuth Maher  
& Deutsch LLP  
*Counsel for Plaintiffs Phoenix  
Light SF Limited, et al. and  
Commerzbank AG*

/s/ Scott K. Attaway

Scott K. Attaway  
Kellogg, Hansen, Todd  
Figel & Frederick,  
P.L.L.C.  
*Counsel for Plaintiffs National  
Credit Union Administration  
Board, et al.*

/s/ Edward C. Reddington

Edward C. Reddington  
Williams & Connolly LLP  
*Counsel for HSBC Bank USA,  
N.A.*

/s/ John G. Moon

John G. Moon  
Miller & Wrubel PC  
*Counsel for Plaintiffs Triaxx  
Prime CDO 2006-1, Ltd., et  
al.*